

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 1997)

Docket No. R97-1

OFFICE OF THE CONSUMER ADVOCATE
FOLLOW-UP INTERROGATORIES TO
UNITED STATES POSTAL SERVICE
WITNESS PAUL M. LION
(OCA/USPS-T24-96-98)
October 3, 1997

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

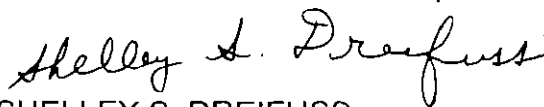
Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



SHELLEY S. DREIFUSS

Attorney

OCA/USPS-T24-96. Please refer to your response to OCA/USPS-T24-87.

- a. Please confirm that the 1.2 annual growth rate from April 1996 to April 1997 represents a monthly growth rate of 0.0995 percent $((0.012001+1)^{1/12})$. If you do not confirm, please explain and provide the correct figures.
- b. Please confirm that the 1.9 percent growth factor represents the estimated growth for the 18-month period April 1997 to October 1998. If you do not confirm, please explain.
- c. Please confirm that the growth factor, assuming a monthly growth rate of 0.0995 percent for an 18 month period, is 1.8056 percent $(1.000995^{18}-1)$. If you do not confirm, please explain and provide the correct figures.
- d. Please provide the formula and all calculations used to derive the 1.9 percent estimated growth factor from the observed growth rate between April 1996 and April 1997. Please provide citations to any figures used.

OCA/USPS-T24-97. Please refer to your response to OCA/USPS-T24-87f, wherein you state, "The growth factor used in the rollforward model is an earlier estimate."

- a. Please explain what is meant by the phrase "an earlier estimate."
- b. Please provide the growth factor for post office boxes used in the rollforward model.

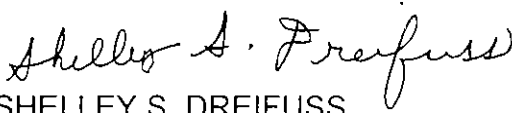
OCA/USPS-T24-98. Please refer to your response to OCA/USPS-T24-87.

Suppose that Tables 3-8 of your testimony were produced from the PO Box

Survey data and the September 97 DSF data contained in LR-H-278, instead of June 97 DSF in LR-H-188, and that the expansion factors of Table 3 are constructed to adjust data to the September 97 DSF. Please confirm that the 1.9 percent estimated growth factor would still apply for Table 8, developed from LR-H-278. If you do not confirm, please explain. If the 1.9 percent estimated growth factor would no longer apply, please provide the appropriate factor and formulas for computing it.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


SHELLEY S. DREIFUSS
Attorney

Washington, D.C. 20268-0001
October 3, 1997